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December 17, 2024

VIA ECF

The Honorable Colleen McMahon
U.S. District Court for the Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007

Re: Core Capital Partners, Ltd. v. Credit Suisse Group AG, et al., Case No. 1:23-cv-9287-CM

Dear Judge McMahon,

We represent plaintiff Core Capital Partners, Ltd. (“Plaintiff”) in this putative securities fraud class action (“*Core Capital*”). We write pursuant to Rule I.A of Your Honor’s Individual Practices and Procedures to apprise the Court of elements of the motion for class certification filed on December 13, 2024, in a related securities fraud class action captioned *Diabat v. Credit Suisse Group AG, et al.*, Case No. 1:23-cv-5874-CM (“*Diabat*”), that are relevant to the Court’s consideration of the pending motion to dismiss in *Core Capital*.¹ The motion for class certification in *Diabat* was filed and/or became known to Plaintiff after briefing of Defendants’ motion to dismiss was completed on November 15, 2024.

As the Court may recall, Plaintiff initially moved to be lead plaintiff in a securities class action (ultimately consolidated into *Diabat*) on behalf of a class of purchasers of Credit Suisse Group AG (“Credit Suisse”) securities, including additional tier-one bonds (“AT1 bonds”), and later amended that motion to seek to lead a sub-class of purchasers of Credit Suisse bonds. *See* ECF No. 30 at 3-4. The Court appointed a sole lead plaintiff in *Diabat* (“Professor Diabat”) to represent purchasers of Credit Suisse equity and debt securities, and denied Plaintiff’s motion on the ground that there were loss causation and damages issues unique to AT1 bonds. *See id.* at 3-4. When Professor Diabat filed his amended complaint, however, he appeared to have abandoned claims regarding AT1 bonds. *See id.* at 7-8. Given that Professor Diabat had abandoned AT1 bondholders’ claims, Plaintiff instituted *Core Capital* on their behalf. *See* ECF No. 1.

¹ All emphasis is added, and internal citations and quotations omitted, unless otherwise indicated.

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Hon. Colleen McMahon
 December 17, 2024
 Page 2

After the Court denied in part Defendants' motion to dismiss in *Diabat*, Defendants moved to dismiss *Core Capital* because, *inter alia*, the case "interfered with [Professor Diabat's] ability and authority to manage" the *Diabat* action. *See* ECF No. 28 at 9. When Plaintiff responded that *Diabat* was not pursuing claims on behalf of AT1 bondholders (*see* ECF No. 30 at 7-8), Defendants insisted in their reply that *Diabat*'s amended complaint, which brought claims on behalf of purchasers of "Credit Suisse Securities," could be read to encompass AT1 bondholders. ECF No. 31 at 2. Thus, according to Defendants, "Prof. Diabat will be filing his motion for class certification on December 13, 2024. Were this Court to allow [*Core Capital*] to proceed in parallel with *Diabat*, the Court and . . . Defendants could be faced with two separate class actions that both are brought on behalf of a class including AT1 bondholders." ECF No. 31 at 2.

The memorandum of law (the "CC MOL") and expert report (the "Cain Report") supporting Professor Diabat's December 13 motion for class certification, however, make clear that he does *not* represent a class of AT1 Bondholders. *See Diabat*, ECF Nos. 127 (CC MOL) and 128-1 (Cain Report). The CC MOL states that the "'CS Securities' encompassed by the proposed Class consist of (i) Credit Suisse American Depository Shares, (ii) seven Credit Suisse notes ('CS Notes'), and (iii) Credit Suisse options on the CS ADSs," and refers the Court to the Cain Report for the "specific CS Notes." *See* CC MOL at 1 n.1. As reflected in the following table comparing the *Core Capital* complaint with the Cain Report, *none* of the CS Notes—*i.e.*, the only debt securities for which class certification is sought—are AT1 bonds:

Bond	ISIN	CUSIP/ID	Coupon	Maturity	Price Date
AT1 Bonds held by Plaintiff:					
Series DD33	USH3698DDD33	BM8815235	4.500	Perpetual	12/2/2020
Series BZ62	USH3698DBZ62	AU3887497	7.250	Perpetual	9/5/2018
Series CV40	USH3698DCV40	ZP5389595	5.100	Perpetual	1/16/2020
CS Notes listed in the Cain Report:					
LAE3 Notes	US22541LAE39	22541LAE3	7.125	7/15/2032	7/12/2002
AC5 Notes	US902613AX64	225433AC5	3.750	3/26/2025	1/14/2016
AF8 Notes	US902613AY48	225433AF8	4.875	5/15/2045	1/14/2016
L2E0 Notes	US22550L2E08	22550L2E0	0.495	2/2/2024	1/26/2021
L2G5 Notes	US22550L2G55	22550L2G5	1.250	8/7/2026	8/2/2021
L2K6 Notes	US22550L2K67	22550L2K6	5.000	7/9/2027	8/18/2022
L2M2 Notes	US22550L2M24	22550L2M2	7.500	2/15/2028	1/4/2023

Compare ECF No. 1 ¶4 with Cain Report at 50-54. Accordingly, Professor Diabat has abandoned claims on behalf of AT1 bondholders, and this Court should not prejudice AT1 bondholders by denying them the opportunity to pursue compensation for losses as to them as a class by "subjecting them to a lead plaintiff that would neglect their claims." *See* ECF No. 30 at 8 (quoting *In re New Oriental Educ. & Tech. Grp. Sec. Litig.*, 293 F.R.D. 483, 488 (S.D.N.Y. 2013).

Hon. Colleen McMahon
December 17, 2024
Page 3

Plaintiff is available at the Court's convenience to address questions or concerns raised in this letter or regarding the Court's consideration of the motion to dismiss *Core Capital* generally.

Respectfully Submitted,

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cc: All Counsel of Record (via ECF)